

IFC and the Ford Foundation

Reducing Poverty Together



PARTNERSHIP OVERVIEW

Through its Economic Development Unit, the Ford Foundation supports organizations that help businesses create employment opportunities and helps low-income groups acquire, develop, and maintain savings, investments, businesses, homes, land, and other assets. With a particular interest in asset building and economic development, the Ford Foundation has partnered with IFC on a number of initiatives, including microfinance and private equity funds in Asia, Africa, and Central and Eastern Europe.

FOR MORE INFORMATION:

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Possible areas for future collaboration include health and education, small and medium enterprises, private equity and investment, and global financial markets. Additionally, the Ford Foundation's Leadership in advocating women's issues signifies potential within IFC's Gender Entrepreneurship Market.

RECENT HIGHLIGHT

Using Microfinance to Reach Underserved Populations

In collaboration with a group of investors, ShoreBank Corporation established ShoreCap International in 2003 to provide both capital and advice to local regulated financial institutions that make small and micro-business loans in developing and transitional economies. Investors include IFC, the Ford Foundation, ABN AMRO, ShoreBank Corporation, Netherlands Development Finance Corporation, the Belgian Investment Company for Developing Countries, and the Finnish Fund for Industrial Cooperation Ltd. Additionally, an affiliated non-profit organization, ShoreCap Exchange, provides technical assistance to help investee institutions establish profitable and effective small business and microlending programs.

ShoreCap was created to help local financial institutions reach businesses in under-invested areas that are too small or too new to interest conventional banks. Access to finance, paired with a good idea, afford the growth of a profitable business that creates jobs, builds wealth, and reduces poverty. ShoreCap is the only company or fund of its kind led by a U.S. bank holding company. Based in London, it collaborates with banking institutions in Asia, Africa, and Central and Eastern Europe.

ShoreCap plays a key role in development by helping local financial institutions in frontier markets learn financially viable ways to offer marginalized communities a full range of commercial banking services, including deposit-taking, housing finance, and long-term small business lending. The world over, access to credit for smaller borrowers is scarce to nonexistent; fostering local financial institutions which provide credit in underserved communities will help make this happen.